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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
) CC Docket No. 95-155
Toll Free Service Access Codes) NDS File No. L-98-85
)

REPLY COMMENTS OF WORLDCOM, INC.

WorldCom, Inc. ("WorldCom") hereby files its reply comments in response to the initial comments concerning the question whether the current structure of toll-free database administration is consistent with the neutrality requirements of the Telecommunications Act of 1996 ("1996 Act"). WorldCom urges the Commission to thoroughly investigate whether the current administrator, Data Service Management, Inc. ("DSMI"), should remain in that role.

I. THE COMMISSION MUST INVESTIGATE DSMI TO ENSURE THAT IT HAS BECOME A NEUTRAL THIRD PARTY UNAFFILIATED WITH ANY INCUMBENT CARRIERS

The Commission initiated this proceeding after the North American Numbering Council ("NANC") issued a recommendation in March 1998 concluding that DSMI, a wholly-owned subsidiary of Bell Communications Research, Inc. ("BellCore"), should remain the toll-free number database administrator. Three entities filed initial comments in the proceeding: Sprint Communication Company, L.P. ("Sprint"); MCI Telecommunications Corporation ("MCI"), and BellCore. MCI and Sprint, along with WorldCom and many other interexchange carriers ("IXCs"), are dependent on the activities of DSMI for access to the valuable market resource of toll-free numbers.

WorldCom supports MCI's request that the Commission act promptly to resolve

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the "competitive, legal, and policy problems arising from the continued role of the RBOCs in competitively vital toll-free numbering administration."¹ It is essential to both the letter and the spirit of Section 251 (e)(1) of the Telecommunications Act that the Commission investigate the ownership, cost, and contractual relationships among the Regional Bell Operating Companies ("RBOCs"), SBC Corporation ("SBC"), and the toll-free database. WorldCom agrees with MCI that the SMS/800 (service management system) and the SMT be transferred, via FCC-supervised competitive bidding, to a neutral third-party that is unaffiliated with any carrier and not aligned with any segment of the telecommunications industry.²

The fact that BellCore is no longer owned by the RBOCs, and is itself the parent of DSMI, in no way brings assurance to RBOC competitors such as WorldCom that DSMI -- which still owes its job to the wholly RBOC-infused service management team -- is impervious to RBOC manipulation. DSMI is the vendor to the RBOCs' SMT customer; in turn, a vendor does what its customer wants. Apparently, that includes providing competitive information at will, as an AT&T letter demonstrates.³

By its recent past actions, the Commission obviously takes competitive neutrality very seriously. The Commission has gone to great pains to ensure competitively neutral treatment and management in other critically competitive areas, as seen by the transition of

¹ MCI Comments at i.

² MCI Comments at iii.

³ See MCI Comments at 22.

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North American Numbering Plan Administration ("NANPA") from BellCore to a competitively neutral third party such as Lockheed Martin, IMS ("LM"), and the creation of another competitively neutral third party for the administration of local number portability ("LNP"). Based on a NANC recommendation, the Commission furthered competitive neutrality by ordering the National Exchange Carrier Association ("NECA") to incorporate a new subsidiary with an entirely independent board of directors to undertake the NANPA billing and collection activities.

With this regulatory backdrop, WorldCom believes the Commission cannot allow the RBOCs to continue to retain such a strategic and powerful position over a major asset for their competitors in the intraLATA toll-free market, and presumably in the foreseeable future in the interLATA toll-free market. This omission must be rectified.

The significant differences in the LNP and 800 database situations are telling. In the LNP arena, certain carriers in the industry have undertaken, at great expenditure of time, effort, and finances, the formation of limited liability companies ("LLCs"). In these LLCs, competitors and the incumbent local exchange carriers ("ILECs") have equal votes, rights, and responsibilities regarding LLC operation and the contract with the LNP administrator. In stark contrast, no RBOC competitor has a presence on the SMT, or is allowed under the tent to know what is truly going on. Even more intriguingly, apparently SBC has the lion's share of control

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of the SMT as the delegated overseer.⁴ The same situation -- with the roles reversed and only competitors in control -- never would be allowed in the LNP arena, for good reason. Never would an SMT constituted solely of competitors be tolerated over a precious resource to an ILEC. As it is, certain incumbents grumbled initially that they were outnumbered by competitors in LLCs, but with state, federal, and NANC oversight of LLCs, those concerns certainly have come to nothing.

WorldCom is well aware of the increased burdens placed on the Commission and the industry following passage of the 1996 Act. Indeed, the NANC in particular has done a yeoman's job in dealing with the myriad issues thrown its way since its first meeting in October 1996. The NANC's charter has been formidable, but has succeeded through intense industry effort and able executive leadership. Its roster of accomplishments includes the creation of a new administrator for the NANP, the selection of LNP vendors, the oversight of LLCs, and more. NANC now faces an additional number administration challenge, the delivery of a thorough report to the Common Carrier Bureau by September 23 regarding number pooling and other number resource optimization efforts.

In WorldCom's view, given the Commission's daunting workload, and NANC's stellar record to date, one solution would be for the Commission to delegate the toll-free database administration issue to NANC. The Commission could direct NANC to examine and

⁴ MCI Comments at 3.

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investigate the relationship between BellCore/DSMI and the RBOCs, and the SMT role, as well as related issues. The timing certainly is right for NANC to proceed, before the RBOCs begin to enter the interLATA service market with their influence over DSMI largely intact. In particular, the RBOCs' position as SMT has provided them with significant market sensitive and valuable information concerning their would-be competitors. Moreover, as part of any NANC-run investigatory effort, the Commission should expressly direct NANC to create a requirements document by which to select a truly competitively neutral toll-free database administrator.

II. CONCLUSION

WorldCom urges the Commission to take action in accordance with the above comments, and continue on the competitively neutral path ordered by Congress in the 1996 Act to encompass all facets of number administration.

Respectfully submitted,



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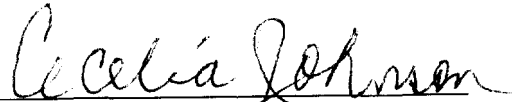
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